FOREIGN AGRICULTURE

Grain flows from railcar to ship, Newport News.

August 5, 1974

U.S. Farm Exports at Alltime High

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Eighty-eight tons of grain in a coal hopper car are tipped into a pier loading chute at Newport News, Va., destined for the ship far below. See article this page.

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U.S. Farm Exports Leap To $21.3 Billion in Fiscal 1974

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At the close of fiscal 1974, U.S. agricultural exports had leaped to an unprecedented $21.3 billion, compared with the previous alltime fiscal high of $12.9 billion recorded in 1973. Exports of all U.S. farm products moved up—mostly to new records—with the exception of dairy products and hides and skins.

Markets which showed significant growth were the People's Republic of China (PRC), up 326 percent in value, as well as other Asian countries with an increase of 62 percent. Another large gain was to Africa, which took 181 percent more in U.S. farm exports than in the previous year.

Much of the escalation in fiscal 1974 was a continuation of the heavy demands brought about by the reduced grain crops in many parts of the world in late 1972.

Three-fifths of the total increase in U.S. exports was due to the sharp upturn in grain shipments. Although higher prices accounted for most of the growth, volume of feedgrains moved to a new high. Only the United States was in a position to meet the demand for grain from existing stock and stepped-up production. Other major exporting countries had either already fully committed their production or were affected by reduced crops.

Big gains were also made in U.S. exports of oilseeds and products because of the Peruvian fish catch failure, reduced peanut production in Asia and Africa, and a small sunflower crop in the USSR in 1972.

Realinement of currencies in the past 2 years also improved the competitive position of U.S. farm products in most major markets.

Rapid growth in incomes in major U.S. markets has also boosted demand for U.S. farm products.

Overall, higher prices accounted for somewhat over 80 percent of the gain in total value of U.S. agricultural exports. Prices have risen sharply for all commodities especially those for feedgrains, wheat, rice, soybeans, cotton, and many fruits and vegetables.

Volume gained about 10 percent. Over 100 million tons of agricultural products were exported in fiscal 1974, up from 92 million tons in fiscal 1973 and nearly double the 55 million exported in 1970.

The spectacular rise in U.S. farm exports boosted a favorable U.S. trade balance by more than $6 billion to a record of nearly $11.8 billion, despite a 30 percent gain in agricultural imports to a record $9.5 billion. This agricultural trade balance more than offset the U.S. trade deficit in nonagricultural products which totaled around $9 billion in 1973-74, giving the United States an overall trade surplus of $2.8 billion.

Exports of U.S. farm products in fiscal 1974 broke the billion-dollar mark to four major markets—Japan, West Germany, the Netherlands, and Canada. Value of exports to the USSR, which exceeded a billion dollars in calendar 1973, declined to less than $500 million.

U.S. agricultural exports to Japan surpassed the $3-billion mark—increasing by 49 percent from those of fiscal 1973—largely due to higher prices. Gains were concentrated in wheat, feedgrains, tobacco, and cotton.

Japan bought more U.S. products at least in part because limited supplies of many products from other countries made it necessary to purchase a larger share of its food imports from the United States. Overall, the United States accounted for about one-third of the farm imports of Japan in 1974.

The People's Republic of China took $852 million in U.S. farm product exports in fiscal 1974, compared with only $200 million in fiscal 1973. Wheat, totaling 3 million tons valued at $317 million, was the leading commodity both in value and in percentage increase (682 percent) from fiscal 1973 to 1974.

Corn, totaling 1.8 million tons valued at $189 million, was the next most important export item to the PRC. Cotton exports to this relatively new market totaled about 843,000 running bales worth about $188 million. Soybean exports reached 24 million bushels, valued at $142 million.

Fairly recent PRC purchases include tobacco, tallow, and peanuts. Tobacco was particularly well received, jumping from zero in fiscal 1973 to $4 million in fiscal 1974. Inedible tallow, too, went from zero in fiscal 1973 to $9 million in fiscal 1974. U.S. exports of soybean oil and cattle and sheep skins declined.

Exports to other Asian countries of U.S. agricultural commodities in fiscal 1974 were valued at $3.7 billion—an increase of 77 percent over the previous year. Grains, particularly wheat, accounted for much of the overall increase, but exports of soybeans, tobacco, and cotton were also up sharply. Countries in this region have become a rapid growth market for U.S. farm product exports, especially the Republic of China (Taiwan), Cambodia, Singapore, the Republic of Korea, Malaysia, South Vietnam, and Hong Kong. Most of this increase occurred in commercial sales, although shipments under Government programs were still important.

U.S. farm exports to West Asia, mainly the Middle East, totaled $786 million, a leap of 136-percent from that of the previous year. Grains led the way, but there were also larger shipments of soybeans and soybean oil. Exports were up to Turkey, Cyprus, Iran, Lebanon, Israel, Qatar, Iraq, and Saudi Arabia.

Canada exceeded the billion-dollar mark in imports of U.S. agricultural products in fiscal 1974, rising 45 percent to hit an alltime high of $1.2 billion, compared with $824 million in fiscal 1973. Substantial gains occurred especially for live cattle, corn, vegetable oils, and cotton.

Canada accounts for 58 percent of total U.S. exports of fresh fruits and vegetables. Because of its proximity to the United States, rapid growth in per capita income, and plentiful foreign exchange, Canada has become a fast growth market for a very diversified group of U.S. agricultural products.

U.S. agricultural exports to Africa, totaling $980 million, nearly tripled the level of the previous year. Due to a very severe and widespread drought on that continent during the past 2 years, many African countries have had to import a greater portion of their food requirements. Because of reduced stocks in other export countries, Africa had to rely heavily on the United States to relieve its drought-induced shortages.

Most North African countries and Nigeria have considerable foreign exchange revenue from the export of petroleum and products with which to purchase U.S. farm products, while the more needy African countries continued to receive shipments under Public Law 480.

U.S. farm exports to Western Europe increased by over one-half to $6.8 billion and West Germany and the Netherlands were above the billion-dollar mark—the Netherlands for the first time.

Exports to West Germany, the second largest U.S. agricultural export market, totaled about $1.5 billion, an increase of 73 percent over the previous year before adjustment for transshipments. When data for transshipments are available, West Germany's total will probably exceed $1.8 billion.

Because of a world shortage of protein meal due to reduced production and reduced availability of nongrain feed, feed manufacturers in West Germany and the Netherlands increased the use of feedgrains in their rations. Also, a large increase in livestock production in the early part of fiscal 1974 increased grain requirements.

U.S. agricultural exports in 1973-74 to Eastern Europe and the USSR fell 11 percent to $1.2 billion from a high of $1.3 billion a year earlier. Farm shipments to the USSR (excluding transshipments through Canadian ports)

U.S. AGRICULTURAL EXPORTS BY COMMODITY VALUE, FISCAL YEARS 1971-1974

Commodity	1971	1972	1973	1974	Change from 1973 to 1974
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
Animals and animal products:					
Dairy products	153	218	86	65	−24
Fats, oils and greases	272	228	237	506	+114
Hides and skins, incl. furskins	186	236	495	460	−7
Meats and meat products	142	178	307	317	+3
Poultry and poultry products	80	82	98	143	+46
Other	87	85	130	269	+107
Total animals and products	920	1,027	1,353	1,760	+30
Grains and preparations:					
Feed grains, excluding products	1,096	1,118	2,312	4,651	+101
Rice	287	306	437	754	+73
Wheat and major wheat products	1,225	1,071	2,385	4,738	+99
Other	81	94	137	200	+46
Total grains and preparations	2,689	2,589	5,271	10,343	+96
Oilseeds and products:					
Cottonseed and soybean oil	290	293	222	427	+92
Soybeans	1,274	1,391	2,287	3,268	+43
Protein meal	398	398	721	1,135	+57
Other	120	153	277	408	+47
Total oilseeds and products	2,082	2,235	3,507	5,238	+49
Other products and preparations:					
Cotton, excluding linters	492	530	748	1,294	+73
Tobacco, unmanufactured	570	570	640	814	+27
Fruits and preparations	341	381	457	589	+29
Nuts and preparations	66	84	88	158	+79
Vegetables and preparations	214	235	296	407	+37
Other	384	396	541	717	+33
Total other products and preparations	2,067	2,196	2,770	3,979	+44
Total	7,758	8,047	12,901	21,320	+65

totaled $509 million, down 45 percent from $900 million the previous year. Agricultural exports to Eastern Europe, excluding the USSR, increased to $686 million, a 53 percent increase over the previous year's $449 million.

The sharpest decrease in value of U.S. farm product exports was to the USSR, partly because of increased grain production within the USSR, decreasing its need to import U.S. grain.

The value rise in U.S. exports to Eastern Europe occurred primarily in wheat and soybean oil cake and meal. Poland accounted for most of the gain, with exports to that country approaching $310 million. Increases also occurred to East Germany, Yugoslavia, and Romania.

U.S. farm product exports to Latin American countries in fiscal 1974 totaled $2.4 billion, more than double the previous year's level, as a result of reduced grain production in many Latin American countries due to unfavorable weather conditions.

U.S. agricultural imports from Latin America were much larger, totaling over $3.5 billion. Many of these countries are able to purchase more U.S. farm products due to the higher export earnings for their raw materials, particularly petroleum and metal ores.

Of major commodities, grains accounted for about three-fifths of the value increase but significant gains also occurred for soybeans, protein meal, tobacco, cotton, fruits and vegetables, and animal products.

New export records were established for corn, soybeans, soybean meal, tobacco, grapefruit, fresh vegetables, and many other commodities.

U.S. exports of **grains and preparations** totaling $10.3 billion were nearly double the $5.3 billion level of a year earlier. While the value increased for all commodities wheat and feedgrains accounted for most of the rise. About three-fourths of the value increase, however, stemmed from higher prices, but volume of feedgrains hit a new record of nearly 44 million metric tons from only 35 million tons in fiscal 1973.

Feedgrain exports to Japan jumped by nearly 2 million tons to a record 10.2 million tons because of reduced supplies by other major exporting countries and the substantial increase in demand for feed by the expanding Japanese livestock industry.

Exports to the European Community, the PRC, the USSR, and Mexico were up about 1 million tons each. Increases also occurred to other West European and East European countries.

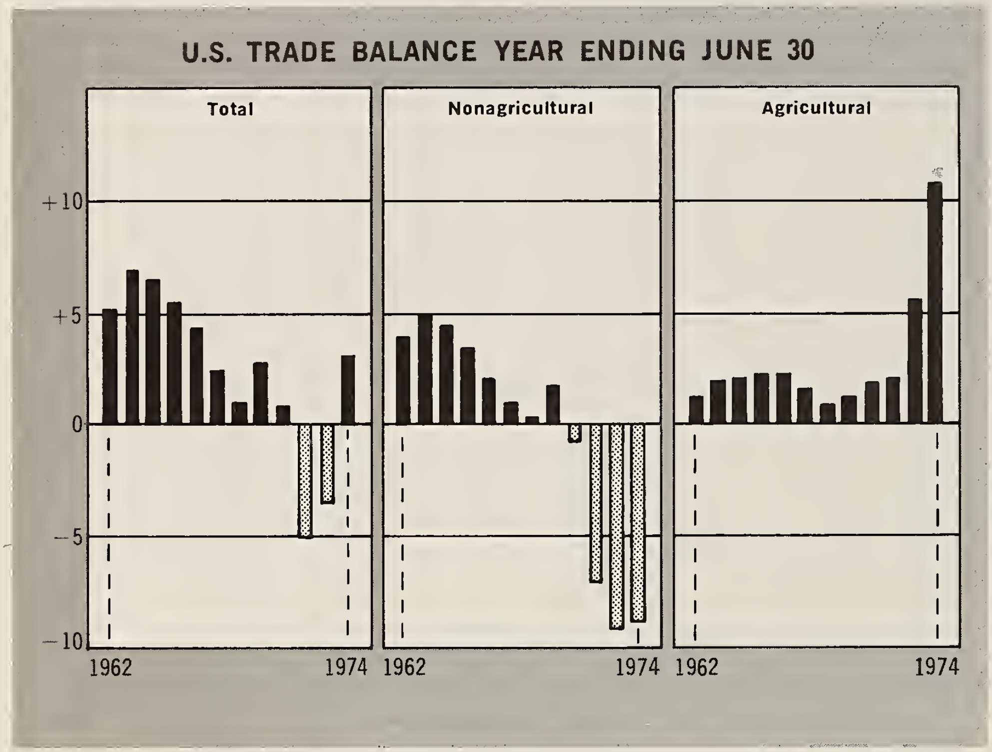
Volume of U.S. exports of wheat during fiscal 1974 totaled 31.2 million metric tons—about 1 million below the level of a year earlier. Unit value, however, nearly doubled at $4 a bushel and pushed the value of wheat exports to a record $4.7 billion.

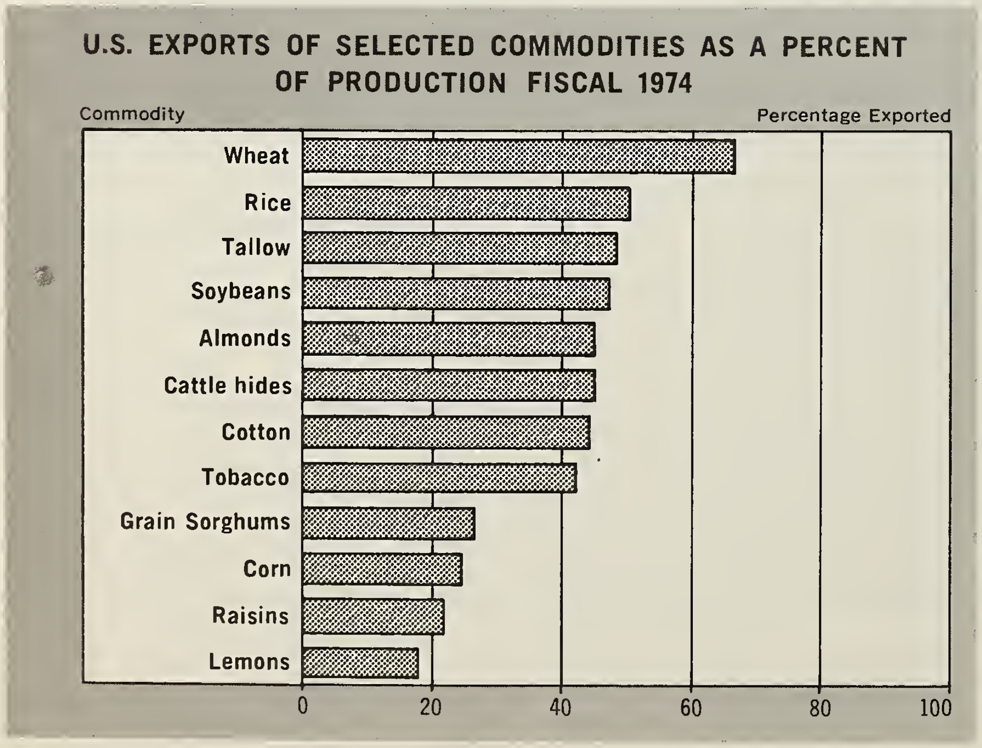
Japan was the top market for U.S. wheat with a total of 3.1 million tons.

The People's Republic of China was the next best for U.S. wheat taking around 3 million tons, compared with around 600,000 tons a year earlier. Exports to the USSR fell to about 2.7 million tons from over 9 million tons due to the record USSR grain crop of over 222 million tons and the prospect of a favorable crop this year.

Over 90 percent of U.S. wheat ex-

Continued on page 16





PRC Has Bumper Wheat Harvest, But Record Wheat Imports Seen

THE PEOPLE'S REPUBLIC of China (PRC) has announced a bumper harvest of winter grains, but imports of wheat in 1974-75 will probably set a record.

The PRC announcement stated that despite serious winter and spring drought, production of winter grains (winter wheat, barley, peas, and beans) exceeded that of 1973 by a "large margin." No production figures were given.

Based on weather, always the most important variable in the PRC's grain production, an increase in the output of winter wheat would seem to have been unlikely this year. Excessive moisture in North China, the PRC's most important wheat producing area, hampered sowing in September-October of last year and probably resulted in some reduction of stands.

Subsequently, precipitation in general was significantly below normal throughout much of the PRC's wheat belt. Honan Province, the leading wheat producing region in the North, while claiming a record wheat harvest, admitted to one of the worst droughts in a quarter century. Other major wheat Provinces were similarly affected.

Reflecting the effects of poor weather in the PRC, it is significant that there was no claim of a yield increase for the country as a whole, although considerable emphasis was given to high yields obtained in scattered areas. In recent years, expansion of wheat production has had a fairly high priority in the PRC.

Along with the increased acreage in wheat—perhaps 2.5 million acres in 1974—some increase in yields has apparently taken place as a result of expanded irrigation facilities, especially in the increased number of pump wells, increased use of fertilizer and agricultural chemicals, and improved seed. Eighty percent of the wheat area in 1974 reportedly was sown with improved seed.

It is difficult to reconcile such divergent general statements on crop and weather conditions as "bumper harvest" and "serious drought," as the PRC often reports. In 1973, despite a claimed record grain harvest of more than 250 million metric tons, PRC grain imports for the 1973-74 marketing year were a record 8 million metric tons.

It is too early to speculate about total PRC grain production in 1974, however. The early rice harvest, now underway in South China, is about 2 weeks later than usual, and this could have adverse effects on the late rice harvest, especially in the double-cropped areas, if the season is prolonged. Equally important is the production of miscellaneous grains—such as corn, sorghum, and millet—important foodgrains in the PRC, especially in North China.

The all-important summer rains have, thus far, been deficient, both in the North China Plain and adjacent areas to the south. Precipitation through mid-July in these areas was significantly below both the 1973 and normal levels. Because a large portion of the annual moisture supply is dependent on summer rainfall, a continuation of the current situation could adversely affect spring-sown crops in these areas.

Recent developments in the PRC's wheat trade strongly suggest that, whatever its crop, the PRC winter wheat production this year may have been below requirements.

These developments include:

- Purchase of 2 million long tons (2.03 million metric tons) of Canadian wheat in June for delivery in July-December 1974. One millions tons of this purchase is part of a 3-year agreement. The additional million tons was an unexpected purchase, outside the agreement.
- Purchase of 600,000 metric tons of U.S. wheat in June.

With these latest wheat purchases, the PRC already has definite commitments of about 5.2 million metric tons of wheat during 1974-75 (July-June). Total wheat imports by the PRC during 1974-75 could reach 7.3 million metric tons, however, if half the maximum commitments made under long-term agreements with Canada, Australia, and Argentina are shipped in January-June of next year. Wheat imports would still total about 6.8 million metric tons if the minimum commitments from these countries are shipped in this period.

These totals would include slightly more than a half million tons of U.S. wheat, which were scheduled to have been delivered to the PRC by June 30, 1974, but are now carried over into the 1974-75 marketing year. Actual wheat deliveries in 1973-74 from all sources now total about 5.9 million metric tons, and total grain deliveries were about 8 million tons. Total grain purchases for delivery in 1974-75 have thus far, reached 5.6 million tons.

Total imports for the year, of course, will depend on whether further purchases are made in the coming months.

—By STEVE WASHENKO, FAS

PEOPLE'S REPUBLIC OF CHINA: GRAIN IMPORTS, 1971-72/1974-75
[In thousands of metric tons]

Year	United States		Canada	Australia	Argentina		France	Total	
	Wheat	Corn	Wheat	Wheat	Wheat	Corn	Wheat	Wheat	Corn
1971-72	—	—	2,970	—	—	—	—	2,970	—
1972-73	590	828	4,370	320	—	—	—	5,280	828
1973-74	[1]3,210	1,800	1,540	1,060	50	330	50	5,910	2,130
1974-75:									
July-Dec.	2,350	—	2,000	500	100	420	200	5,150	420
Jan.-June	—	—	[2]800	[2]750	[2]175	[2]175	—	[2]1,725	[2]175
Jan.-June	—	—	[3]1,000	[3]900	[3]250	[3]250	—	[3]2,150	[3]250
July-June	—	—	—	—	—	—	—	[4]6,875	[4]595
July-June	—	—	—	—	—	—	—	[5]7,300	[5]670

[1] Inspections for export. Includes several cargoes rejected by the PRC. [2] One half of lower range of annual commitments projected to move in Jan.June. [3] One half of upper range of annual commitments projected to move in Jan.-June. [4] Minimum estimated shipments for July-June period. [5] Maximum estimated shipments for July-June period.

Inflation and Weather Push Food Prices Up

WORLD RETAIL FOOD PRICES reported by U.S. Agricultural Attachés were generally higher on July 3 than in early May. Inflation, coupled with unfavorable weather conditions in some areas, accounted for the increase.

The upward trend in food prices reversed in one country, however. The Japanese food price index reflects somewhat lower prices, due to seasonally large supplies of vegetables and some meat price decreases.

In Tokyo, beef prices were slightly lower than had been reported in the May survey—reflecting joint Government-industry marketing promotion.

In the United States, beef was reported 30 cents per pound lower. The big drop in beef prices in Australia reflects the severe drop in live cattle prices resulting from the falling value of cattle for the export market.

Pork roast, heretofore selling at or close to pork chop prices, is substantially higher in six of the countries surveyed. Australia reported pork price increases resulting from higher feedgrain prices and continued strong demand. Japan's domestic pork market has trended upward recently. Lower pork prices in Brazil reflect increased availability of beef.

Seasonal price drops accounted for lower tomato prices in 11 countries. On the other hand, all six countries where oranges and apples are now out of season reported higher prices. Onions also trended upward in most countries, with Australia reporting a jump of 9 U.S. cents per pound.

Egg and poultry prices continued their decline in Europe and in the United States. In Paris, however, broiler prices remained steady.

All European countries reported higher bread prices. The sharp increase in London reflects the maximum subsidized price. Many U.K. supermarkets and chain stores reported somewhat lower prices.

Mexico City has been added to the list of cities surveyed, and Brazil has been added to the list of countries for which price changes are reported.

FOOD PRICE INDEX CHANGES IN SELECTED COUNTRIES 1974

Country	Latest month	Index 1970=100	Percent change from: Previous month	Three months	One year
United States	May	139.0	+0.7	+ 1.3	+15.8
Canada	May	143.2	+3.0	+ 4.7	+18.3
Japan	May	154.8	−1.6	+ 1.8	+24.9
United Kingdom	May	161.7	+1.3	+ 3.7	+17.2
Denmark	April	143.1	+1.4	+ 2.3	+12.2
Germany	May	124.3	+ .7	+ 2.1	+ 3.9
Italy	May	140.2	+ .9	+ 4.6	+13.5
Belgium	May	122.3	+1.3	+ 3.2	+ .5
Netherlands	May	126.9	+ .4	+ 1.0	+ 5.8
France	May	139.9	+1.3	+ 3.7	+14.0
Brazil	May	225.0	+2.1	+11.6	+38.2

SURVEY OF RETAIL FOOD PRICES IN SELECTED CITIES, JULY 3, 1974
(In U.S. dollars per lb., converted at current exchange rates)

City	Steak, sirloin, boneless	Roast, chuck, boneless	Roast, pork, boneless	Pork chops	Ham, canned	Bacon, sliced, pkgd.	Broilers, whole
Bonn	3.03	2.27	2.86	2.13	2.17	2.86	0.74
Brasilia	1.30	1.02	2.39	1.76	2.01	2.71	.64
Brussels	3.10	1.72	1.61	1.67	3.55	1.65	.98
Buenos Aires[1]	.69	.38	.47	.43	—	1.20	.48
Canberra	1.93	1.07	1.64	1.64	2.45	2.21	1.04
Copenhagen	3.97	1.52	1.83	2.13	2.30	2.20	.86
London	2.83	1.37	.96	1.29	1.44	1.60	.60
Mexico City	1.15	1.34	1.60	1.45	1.45	2.21	.80
Ottawa	2.21	1.43	1.74	1.67	1.71	.99	.81
Paris	2.40	1.37	1.88	1.63	2.30	2.84	.84
Rome	3.78	1.47	1.72	1.58	1.87	1.46	.76
Stockholm	4.27	1.73	3.26	2.13	2.40	2.32	1.05
The Hague	3.29	2.11	2.42	1.70	1.80	2.72	.68
Tokyo	13.52	2.86	2.39	2.86	2.23	3.18	.95
Washington	2.29	1.22	2.79	1.82	1.13	.82	.59
Median	2.83	1.43	1.83	1.67	2.09	2.21	.80

City	Eggs, dozen	Butter	Cheese: Edam, Gouda, or Cheddar	Tomatoes	Onions, yellow	Apples	Oranges, dozen	Bread, white, pkgd.
Bonn	0.89	1.34	1.54	0.38	0.30	0.32	2.35	0.50
Brasilia	.74	1.22	1.76	.21	.46	.22	.70	.62
Brussels	.79	1.36	1.55	.37	.21	.20	.67	.23
Buenos Aires[1]	.81	.96	1.30	.16	.06	.13	.22	.26
Canberra	1.18	.91	1.24	.97	.42	.63	1.24	.36
Copenhagen	1.30	1.19	1.45	.61	.45	.61	1.31	.78
London	.70	.53	.81	.41	.22	.41	1.58	.34
Mexico City	.71	1.82	.65	.19	.05	.72	.86	.28
Ottawa	.84	.83	1.36	—	.21	.38	1.02	.30
Paris	.93	1.36	1.27	.46	.22	.40	.79	.60
Rome	1.12	1.47	1.12	.32	.28	.20	.43	.32
Stockholm	1.21	1.22	1.61	.94	.48	.37	1.66	.66
The Hague	.63	1.20	1.15	.30	.13	.22	.90	.15
Tokyo	.76	1.35	1.61	.26	.14	.52	4.73	.47
Washington	.58	.78	1.48	.66	.23	.47	.89	.36
Median	.81	1.22	1.36	.38	.22	.38	.90	.36

[1] Meat prices are Government ceiling prices.

Ireland's Rosy Farm Outlook Dims in 1974

By C. S. STEPHANIDES
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On the last day of 1973, Ireland completed its first year as a member of the European Community (EC). The country's gross national product (GNP) showed an estimated 7 percent real growth that year, partly as a result of increased trade with the original six EC countries, but Ireland's accession to the Community was blamed by some for higher domestic prices.

The outlook for 1974 is less encouraging, and latest estimates by the Agricultural Institute—Ireland's State-sponsored agricultural research body—suggest farm incomes will be 10 percent below those of 1973. Lower prices for beef, lower production in most other sectors, and rising costs are the causes of the decline.

Production of hogs is forecast down by 10 percent, poultry down by 4 percent, milk down by 4 percent, and wheat down by 6 percent. Although net income will still be above that of 1972, if inflation is taken into account, real farm incomes are expected to be below the 1972 level, before Ireland joined the EC. In particular, the poor marketing outlook for beef, Ireland's most important agricultural product, is leading to a considerable lack of confidence among farmers.

In 1973, Ireland's GNP had risen in terms of market prices nearly 20 percent from the revised 1972 figure of $5,357 million[1] to an estimated $6,418 million. In 1973 industrial growth was about 11 percent and the value of gross agricultural output[2] increased by 27 percent to $1,319.8 million, compared with $1,042.3 million in 1972.

[1] US$2.40 to Irish pound—average of rates for January, July, and December 1973 of US$2.32, $2.59, and $2.32, respectively.

[2] According to definitions of the Central Statistical Office of Dublin, total production is amount of crop harvested, while gross agricultural output is that sold from farms or consumed in farm households.

Top, Cheviot mountain ewes. Ireland's mutton and lamb exports in 1973 were valued at $17 million. Above, spring silage harvesting in progress. There was an increase in the percentage of fodder laid down as silage last year.

At the same time, the consumer price index was up 11.4 percent in December 1973, compared with the level of a year earlier. Food prices were the biggest contributor to the index rise, climbing 16.5 percent, while manufactured goods increased 9.5 percent and nonmanufactured goods and services rose 8.5 percent.

Some of those opposed to Ireland's joining the EC—and many who had favored it earlier—particularly blamed EC membership for the rise in food prices and there was some evaporation of the euphoria that had accompanied Ireland's accession on January 1, 1973.

Although there were no shortages, high prices had a dampening effect on per capita consumption of some foods in 1972 and 1973. High potato costs led to a slight rise in bread consumption, reversing an earlier downtrend. Cheese gained in popularity over the past 3 years as meat prices climbed. Beef consumption was influenced in 1973 when butchers failed to reduce retail prices, although live cattle costs fell significantly during the year. Steeply rising egg prices in the latter half of 1973 pushed their consumption downward after an initial rise at the beginning of the year.

The value of Ireland's agricultural trade increased dramatically again during 1973, due as much to increased world prices as to higher volume.

Official figures show that 1973 agricultural exports (including reexports) were up 28 percent in value, totaling $903.4 million, compared with $706.8 million in 1972, when agriculture contributed 45-50 percent of total Irish exports.

The star performer during 1973 was the dairy industry. Both volume and value of dairy exports were up substantially—the value increased 73.5 percent to about $219.6 million. Meat and livestock exports (including processed products)—although down in volume—increased in value by 19 percent to $519.9 million during 1973. Of the total, $408.5 million came from the sale of live and carcass cattle and sheep, and $51.9 million from hogs and pork products.

Agricultural imports were also up in value in 1973, increasing 26 percent, to $371.0 million, compared with $293.5 million in 1972.

Carcass beef exports to the EC-Six rose from 30,000 metric tons in 1972 (product weight) to over 60,927 tons in 1973. But exports to the United Kingdom again declined—from 78,532 tons in 1972 to 50,458 tons in 1973, and for the first time were slightly below exports to the original EC-Six.

Total carcass beef exports in 1973 increased by just under 6 percent to 131,149 metric tons. This included a large increase in the volume of vacuum packed and portion cuts. There was a jump in cow killings, although boneless beef exports to the United States fell to only 5,993 tons in 1973, compared with 7,268 tons in 1972.

U.S. imports of Irish beef have soared during the first 5 months of 1974. Last year, U.S. purchases of fresh, chilled, and frozen beef, veal, mutton, and goat totaled 1,410 metric tons during the January-May period. This year, these imports from Ireland in the same months were more than 13,000 tons. Most of the meat imported from Ireland was beef and veal.

In 1973, Ireland again opened trade with Israel, which bought about 6,747 tons of frozen forequarter beef. Ireland also contributed over 90 percent of the beef contracted for by U.S. Forces in the EC, providing nearly 13,000 tons last year, compared with 9,700 tons in 1972. This improvement in third-country trade came when demand in Europe and the United Kingdom had fallen off and a large number of Irish cattle were still on hand.

Irish exports of live cattle in 1973, dropped to their lowest since 1948, to an estimated 430,118 head, compared with 598,137 head in 1972.

Although total mutton and lamb exports were slightly lower in 1973 at 11,746 metric tons, their value climbed $4.4 million to a total of $18.3 million. There was 31 percent increase in exports to the six original EC countries in 1973 to 10,525 tons, compared with 8,051 tons in 1972. The Six now take most of Ireland's lamb exports. Live exports fell 26 percent to an estimated 121,181 head, because of smaller shipments to the United Kingdom.

Strong European demand and a lower level of New Zealand shipments to the United Kingdom kept prices at high spring levels for much of 1973. The French market was open for imports until the end of the year instead of closing as usual around July-August.

Exports of dairy products, including chocolate crumb and casein, increased an estimated 73.5 percent, totaling about $219.6 million, compared with $126.6 million in 1972. The opening of additional U.S. quotas for cheese, dry milk, and butter helped boost export income.

During the first 6 months of 1973, exports of cheese totaled 39,122 tons, compared with 25,861 tons in the same period of 1972. In the same 1973 period dried milk exports more than tripled to 125,285 tons, compared with 35,892 tons a year earlier, because of greatly increased production of nonfat dry milk powder.

Following the bumper 1972 year, 1973 was a disappointing one for cattle producers. High prices at the beginning of the year were followed by a steady decline to intervention levels by November. Many farmers paid too much for feeder cattle in the spring and were forced to take up to $12 per hundredweight (112 lb.) less in the fall or keep the cattle over the winter. Overall average cattle prices peaked in May at $44 per hundredweight, falling to $35 at the end of December.

Rising feed costs and indifferent quality hay, along with hay losses in some areas, particularly in the west, aggravated the situation. However, even though net output, at 1.2 million head, was down over 6 percent from that of

Sacks of Irish potatoes in the field awaiting pickup.

These Irish feeder cattle may be shipped to other EC countries.

1972, the value of gross cattle output increased 25 percent to $468.0 million —35 percent of gross agricultural output. Slaughterings at an estimated 854,000 head were up 9 percent in 1973, compared with those of 1972, due to a 40 percent increase in cow slaughter.

Sheep farmers, in contrast to beef producers, had a good 1973, but net output declined slightly again and was estimated at 1,668,000 head, compared with 1,745,000 head in 1972. While average 1973 prices were nearly 30 percent higher than in 1972, lack of a Common Agricultural Policy for Sheep made the industry cautious about expansion. The value of output in 1973 was estimated at $14.0 million higher than the 1972 total of $59.8 million.

Hog output declined sharply last year because of uncertainty caused by massive feed price rises. Production in 1973 is estimated at 10 percent less than in the year before, and output totaled 2,103,000 head. Total exports of pork products in 1973 were only 35,000 tons, down from 58,000 tons a year earlier, according to the Pigs and Bacon Commission.

Because poultry products were priced relatively low in early 1973, the poultry industry could raise prices sharply, and so did not suffer as much as other livestock industries from feed price increases, even though some were as much as 67 percent between December 1972 and December 1973. In the first part of 1973, demand for eggs rose, as they were substituted for other foods such as higher priced red meat. This, combined with falling production, pushed egg prices up sharply. Broiler prices rose more than 25 percent by the end of 1973.

DESPITE THE HIGHER prices for poultry meat and eggs, poultry numbers are estimated to have declined slightly, compared with those of 1972, to around 10 million birds. Egg production declined again from 734 million in 1972 to 714 million in 1973.

Encouraged by EC floor prices and declining stocks, Irish dairymen produced an estimated 881 million imperial gallons of milk in 1973, 40 million gallons more than in the year before. This brought a producer income of $351.6 million, 29 percent higher than the 1972 total of $273.1 million, and constituted 27 percent of gross agricultural output. The largest increase in production was in factory milk which was up 6 percent to 596 million gallons.

However, milk producers for liquid consumption were not satisfied with the price differential to compensate them for producing milk the year round. They cut their deliveries and toward the end of 1973, dairies were buying manufacturing milk from creameries to maintain supplies.

Good weather and greatly increased prices for cereal crops were two of the outstanding features of 1973. Yields of many crops were above the average for recent years. However, the trend in declining acreages of tillage, particularly cereals, was evident again.

Cereals were generally harvested in good condition but there was some sprout damage in winter wheat. Some other crops lacked moisture to mature the grain on the stalk. Late-harvested crops of barley were of poor quality. Feed barley prices for the 1973 crop averaged about $108 per ton, compared with $67 per ton in 1972, while wheat averaged $132 per ton (green), compared with $82 per ton in 1972. Total output of cereals for 1973 is estimated at 1,185,000 metric tons, down 17 percent from the 1972 total of 1,430,000 tons, due mostly to greatly decreased plantings of wheat.

Sugarbeets—harvested at the end of 1973—suffered the results of wet weather earlier in the season. Beet yields were well above average but sugar content was low. A record 1.3 million long tons of beets were estimated for the 1973-74 campaign, 19 percent above the 1,195,000 tons grown in 1972-73. Planted area was reduced to 75,000 acres.

Yields of potatoes were estimated higher in 1972, but there was greater evidence of tuber disease. Output of potatoes is estimated at 426,000 long tons in 1973, 3 percent below the previous year. Other root crops did well in 1973 because of higher yields than in 1972, but harvesting of some late crops was held up by wet weather at the end of the year.

Acreage of hay and other fodder crops was up 4 percent to over 2.5 million acres and there was an increased proportion of fodder laid down as silage. Hay crops suffered from unstable weather and were generally of poorer quality than in 1972 with some losses. Silage yields were good.

World Supplies of Baler Twine To Continue Tight Through '74

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WORLD SUPPLIES of the natural hard fibers sisal and henequen and their key endproduct, baler twine, are expected to continue tight for the balance of the 1974 season. Because of increased costs of feedstocks from petroleum sources, it is doubtful if synthetic twine will bring much relief to the overall supply situation.

Countries that normally import sisal and henequen indicated at the recent session in Rome, May 7-15, of the Food and Agriculture Organization (FAO) Intergovernmental Group on Hard Fibers that a continuation of current price levels might result in reduced purchases and substitution of synthetic fiber products for natural fibers.

Some producing countries expressed the view that current prices of sisal were not excessively high, given the impact of general worldwide inflation and the effect of higher oil prices on supplies and prices of manmade substitutes. It was fully recognized by producers, however, that adequate supplies of sisal fibers and goods needed to be made available at prices competitive with synthetics.

Estimated exports of sisal, henequen, and cordage by producing countries totaled 622,400 metric tons in 1973, and are forecast at 655,500 tons for 1974, according to an FAO report. Estimated raw fiber requirements of importing countries plus estimated cordage exports of fiber producing counties for 1973 and 1974 totaled 667,000 and 656,700 tons, respectively.

The United States is the leading world market for baler twine, an essential product in haying. In 1973, hay was the fourth most important U.S. crop in value, and is inseparably tied to both the beef and dairy industries. About 90 percent of the U.S. hay crop normally is baled. Of this volume, about 80 percent is baled with twine for on-farm consumption. The remaining 20 percent of the crop—mostly commercial hay—is baled with wire.

U.S. imports of baler and binder twine in 1973 were 251 million pounds, valued at $35.5 million. Baler twine is by far the most important item in these totals, accounting for 227 million pounds valued at $29.5 million.

In 1972, imports of baler twine alone totaled 254 million pounds valued at $30.5 million. Outlook for imports in 1974 is for a larger volume and value than in 1973, when U.S. twine stocks were drawn below normal carryover levels.

Although information on baler twine imports by other countries is not readily available, the relative importance of the U.S. twine market is reflected in hard fiber production data reported in FAO by member countries. Of total 1972 world imports of hard fiber manufacturers of 279,000 metric tons, U.S. imports were 149,400 tons, or 54 percent of the total.

CANADA WAS THE SECOND ranking importing county at 42,000 tons, while the European Community took 50,000 tons. These data include abaca cordage (manila hemp) and possibly some coir products, but sisal and henequen manufactures constitute the bulk of this trade.

Producing countries such as Mexico and Brazil are exporting a larger part of their fiber as finished product, and, as a group, are now the predominant suppliers of twine to the U.S. market. In 1967, 53 percent of U.S. baler twine imports came from Canadian and European processors, with the balance from Mexico and other countries producing raw fiber.

By 1973, the European processors' share had fallen to 35 percent of the U.S. market, while 65 percent came from fiber-producing countries.

Mexico is the principal U.S. supplier, accounting for 82 million pounds or 36 percent of total U.S. baler twine imports in 1973. In 1972, imports from Mexico amounted to 74 million pounds, 29 percent of U.S. baler twine imports from all sources.

The U.S. spinning industry has fallen off sharply in the past decade, with only one U.S. plant now manufacturing baler twine from natural fiber. U.S. imports of raw sisal and henequen totaled 71 million pounds in 1973, but most of this volume was low quality fiber for padding.

U.S. baler twine requirements amount to about 300 million pounds a year. Imports are augmented by 30-35 million pounds of sisal twine produced domestically from imported fiber. In addition, 15-16 million pounds of synthetic baler twine are produced and consumed in the United States. (Polypropylene twine, on a weight basis, has about twice the footage of natural fiber twine.)

Although the total world supply of baler twine is relatively unchanged, demand is increasing. Drought in several major producing countries held production of raw sisal and henequen in 1971 and 1972 below normal expectations, while demand for the product in both producing and importing countries continued upward.

In 1973, supplies of both fiber and manufactures—especially baler twine—became noticeably scarce. In the United States, known carryover twine supplies were sharply down at the end of the 1973 hay harvest. U.S. imports of baler twine during October 1973-May 1974, however, were 194 million pounds, 19 percent above the same period a year earlier, indicating some replenishment of twine supplies prior to the 1974 haying season.

Nevertheless, the low carryover situation late in 1973, plus a strong preseason demand for twine at the farm level, has contributed to a general scarcity of twine in normal distribution channels. Thus a tight supply situation for twine and sharply higher prices developed in many parts of the country well before the haying season actually began. If twine imports continue to hold up through September, 1973-74 imports will exceed October 1972-September 1973 entries.

This situation is still uncertain, however, and dislocations in U.S. supplies may well become even more noticeable as the season progresses. Twine prices to farmers reportedly are $25 and upward per bale of 40 pounds (9,000 feet), as compared with an average of about $9 per bale in 1973.

Preliminary data for 1974 suggest a slight reduction in world production of sisal and henequen fiber to 813,200 metric tons—about 1 percent below 1973 production estimates.

At current prices, however, it is likely that producing countries will maximize their export of fiber and twine to world markets. In addition to the high level of export earnings to be gained, continuing tight supplies and excessively high prices over too long a period will undoubtedly spur increased competition from synthetics.

These twines—mainly of polypropylene fiber—are fully substitutable for natural twines. In spite of higher prices of petrochemicals, poly twines are highly competitive with natural twines at current price levels.

MEXICO'S YUCATAN economy has benefited substantially from soaring world prices of sisal and henequen. In Mexico, production of henequen (the plant is known as sisal in other major producing countries) is centered around Merida—the capital, largest city, and commercial center of the Yucatan Peninsula.

In view of the rise in world prices of the fiber and its manufactures, the Mexican Government on January 21, 1974, increased prices paid henequen producers from 10.4 to 14.5 cents per pound—the fourth price rise granted henequen producers in 18 months. It is estimated that the latest price rise will have the effect of increasing total producer income in 1974 to about $40 million and at the same time adding to Government tax revenues.

Because Mexico presently is exporting practically all its spinnable quality fiber as manufactured product, world market prices of raw sisal are more indicative of price increases in the past year than are the quotations for Mexican fiber.

East African sisal, Grade A, c.i.f. New York, was quoted nominally at 52 cents per pound ($1,146 per metric ton) in June, compared with 49 cents in March and 37 cents in January. Comparable prices in June 1973 were about 21 cents per pound and about 10 cents in June 1972.

In Europe, where processing of sisal fiber into manufactured products such as baler and industrial twines still is a significant industry, comparable price

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Henequen (sisal) field in Mexico's Yucatan Peninsula. Lower leaves are cut from plants when they approach horizontal position, indicating maturity. Plants must be 3-5 years old before first cuttings can be taken.

U.S. IMPORTS OF BALER TWINE BY PRINCIPAL COUNTRIES OF ORIGIN

Country	1965-69 average	1970	1971	1972	1973[1]
Processing countries:[2]	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Belgium	12.3	9.0	19.7	17.9	23.4
Canada	23.6	11.2	6.4	5.7	.8
Denmark	11.0	.9	8.7	8.6	3.4
Netherlands	24.0	20.2	12.2	18.7	11.9
Portugal	38.9	35.7	45.5	42.6	32.5
Other	14.7	12.8	9.8	9.5	6.5
Total	124.5	89.8	102.3	103.0	78.5
Producing countries:[3]					
Brazil	13.1	25.4	26.8	27.4	34.4
Haiti	4.8	10.0	21.3	14.3	8.4
Mexico	63.0	57.4	63.4	73.5	81.8
Mozambique	4.8	5.3	18.2	15.1	6.1
Tanzania	11.9	14.7	29.4	14.7	16.1
Other	3.1	6.1	4.8	5.5	1.7
Total	100.7	118.9	163.9	150.5	148.5
Grand total	225.2	208.7	266.2	253.5	227.0
Share of U.S. imports:	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Processing countries	55.3	44.6	38.4	40.6	34.6
Producing countries	44.7	55.4	61.6	59.4	65.4

[1] Preliminary. [2] Countries processing twine from imported raw fiber. [3] Countries processing twine from domestic raw fiber. Source: Bureau of Census, Import Tariff Schedule No. 3152020.

2007

USSR's Farm Imports Soared In 1973, Says Soviet Report

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THE SOVIET UNION increased its imports of agricultural products by more than an equivalent of $1 billion[1] in calendar 1973, compared with the previous year, according to the USSR's recently released foreign trade yearbook. Soviet farm exports also advanced—but to a far lesser extent—pushing the USSR's farm trade balance even more firmly into a net deficit position last year.

Statistics released in *Vneshnyaya Torgovlya SSSR za 1973*—Foreign Trade of the USSR for 1973—showed that the value of the Soviet Union's agricultural imports climbed from more than $3.5 billion in 1972 to $4.8 billion in 1973. Farm products accounted for 23 percent of the value of all Soviet imports last year. At the same time, Soviet agricultural exports rose from $1.5 billion to about $1.7 billion in 1973—only an 8 percent share of the value of all exports.

[1] Converted at the official rate of 1 ruble =US$1.34. When traded on West European exchanges, however, the ruble is discounted considerably.

Not surprisingly, wheat was listed in the yearbook as the single most important—by both volume and value—Soviet farm import in 1973, as it had been in 1972. Grains, including flour, were by far the most valuable group of farm commodities imported, representing 33 percent of the value of all agricultural purchases abroad.

The larger grain purchases were, of course, the result of the Soviet Union's very disappointing crop outturns in 1972, and reflected the USSR's commitment to meet the rising feed requirements of its livestock industry. Since Soviet crops, including grains, were much improved in 1973, import needs for a number of farm products are likely to diminish this year, while exports of some products could advance—significantly reducing the country's net farm trade deficit.

The value of grain imports from the United States in 1973 was reported by the trade yearbook at an equivalent of nearly $947 million. The only other farm imports from the United States that were listed were 157,000 large, raw hides worth about $4.29 million and 503 metric tons of almonds valued at $1.67 million. A puzzling feature of the report was the omission of the large imports of U.S. soybeans during 1973. Further, the only Soviet agricultural export to the United States shown was bristles, 27 metric tons worth $187,600.

MANY AGRICULTURAL commodities are both imported and exported by the USSR. In quantity terms, there were some significant changes in the net trade positions of several commodities in 1973. Net imports of unmilled grains, as a group, increased about 70 percent from the 1972 level. Those of wheat alone were more than 2.5 times the 1972 quantity. Although the United States, Canada, and France were reported in the yearbook as leading sources of grain imports in 1973, complete data were not provided for all of the other supplying countries or for all individual grains.

The gap between imports and exports widened considerably for other major commodities in 1973, including sugar, wool, corn, and oilseeds. Net imports of tobacco gained slightly. Net imports decreased substantially, however, for barley, tea, rice, canned meat, and cheeses.

The USSR's net exports increased notably for cotton fiber and flour, but declined for edible vegetable oils—due mainly to decreased exports of sunflowerseed oil. Butter moved from a small net export position to a sizable net import basis. For fresh-frozen meat, Soviet trade swung from a small net import position in 1972 to a small net export situation in 1973.

Sixteen of the top 25 imports listed increased in value in 1973, with the largest relative gains realized for butter—owing to the big purchases from the European Community—rye, wool, raw sugar, and oilseeds. Soybean imports, which were not reported separately,

SOVIET UNION: GRAIN IMPORTS, 1973
[In 1,000 metric tons]

Country	Rice	Rye	Barley	Corn	Wheat	Total
United States	—	—	—	4,750.2	9,847.9	15,370.7
Canada	—	—	670.4	—	3,534.8	4,205.2
France	—	—	1,018.8	—	343.5	1,362.3
Australia	—	—	—	—	844.6	844.6
Hungary	—	20.1	—	367.1	156.7	543.9
Sweden	—	81.2	78.8	—	130.0	406.1
Romania	—	—	—	—	182.7	182.7
West Germany	—	172.0	—	—	—	172.0
North Korea	96.1	—	—	—	—	96.1
Egypt	56.6	—	—	—	—	56.6
Total	153.3	1,300.0	1,900.0	5,400.0	15,200.0	24,000.0

SOVIET UNION: GRAIN EXPORTS, 1973
[In 1,000 metric tons]

Country	Oats	Rice	Barley	Corn	Wheat	Total
Czechoslovakia	—	—	137.5	196.8	759.8	1,094.1
Poland	9.6	—	20.0	78.7	960.9	1,069.2
East Germany	—	—	98.7	—	879.0	977.7
Cuba	9.5	—	20.0	89.6	419.8	538.9
North Korea	—	—	—	—	181.8	181.8
Mongolia	—	7.2	—	—	69.5	76.7
Chile	—	—	—	—	74.9	74.9
North Vietnam	—	52.8	—	—	—	52.8
Afghanistan	—	—	—	—	12.1	12.1
Finland	—	—	—	—	5.1	5.1
Total	19.1	60.0	276.2	365.1	4,192.9	4,913.3

accounted for much of the gain in oilseed value. Of the commodities that declined in value, compared to 1972, percentage losses were biggest for seeds and plants, rice, and tea.

In many cases, higher prices pushed up the value of imported commodities, whereas volume changes were not as significant. Two of the most striking examples were raw sugar and wool, for which value increases far exceeded the percentage gains in quantity.

The two top supplying countries in 1973 for the major Russian farm imports, other than grains, were as follows: Raw sugar, Cuba and Brazil; wool, Australia and New Zealand; wines, Bulgaria and Algeria; cotton fiber, Egypt and Syria; tobacco, Bulgaria and India; and crude rubber, Malaysia and Indonesia.

Largest oilseed suppliers were the United States and India, although the United States was not listed as such since U.S. soybean shipments were not included in the report. For butter, France and the Netherlands were top sources; for canned vegetables, Bulgaria and Hungary; raw hides, India and Iran; cocoa beans, Nigeria and Ghana; apples, Hungary and the People's Republic of China (PRC); and seeds and plants, Poland and Románia.

Leading suppliers of oranges were Morocco and Egypt; cashew nuts, all from India; tea, India and the PRC; fresh-frozen poultry, Hungary and Bulgaria; rice, North Korea and Egypt; coffee, Brazil and Uganda; and fresh-frozen meat, the PRC and Mongolia. For wheat flour, Canada—which supplied about 96 percent of imports—was the only supplier listed.

ON THE EXPORT SIDE, the 25 most valuable exports of agricultural commodities in 1973 were headed by cotton fiber for the second year in a row. Wheat came next in both years after ranking first in 1971. For many years, these two commodities have been contenders for the top spot.

Eighteen of the exports shown rose in value last year. The biggest percentage gains were registered by raw silk, corn, groat grains, honey, and fresh-frozen meat. Declines were relatively largest for wool, lard, and wines.

Grain exports by the Soviet Union during 1973 were reported at 4.9 million metric tons, moving mainly to Czechoslovakia, Poland, and East Ger-

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SOVIET UNION: MAJOR AGRICULTURAL IMPORTS

Commodity	1971	1972	1973	1971	1972	1973
	Mil. Dollars	Mil. Dollars	Mil. Dollars	1,000 metric tons	1,000 metric tons	1,000 metric tons
Wheat	179.2	568.2	1,004.1	[1] 2,300.0	[1] 8,100.0	[1] 15,200.0
Sugar, raw	248.7	262.4	619.2	1,535.7	1,658.1	2,484.9
Wool	136.4	135.7	368.4	86.1	83.0	96.0
Corn	65.3	241.2	309.4	880.8	[1] 4,100.0	[1] 5,400.0
Wines	260.9	278.6	260.2	(2)	(2)	(2)
Cotton fiber	304.7	202.3	198.3	242.7	166.6	130.7
Tobacco	122.6	152.1	154.0	71.5	90.3	92.5
Rubber, crude	117.1	86.2	134.8	246.1	231.1	274.5
Barley	0	136.0	130.9	0	[1] 2,600.0	[1] 1,900.0
Oilseeds	14.3	63.9	121.0	45.4	379.0	767.9
Butter	2.4	6.2	116.3	2.2	6.2	229.7
Vegetables, canned	87.1	104.8	103.0	310.5	346.5	351.3
Hides, raw	59.4	68.7	95.9	(3)	(3)	(3)
Cocoa beans	97.7	81.5	94.6	138.3	132.0	119.1
Rye	0	5.9	85.2	0	100.0	1,300.0
Apples	45.8	63.6	68.5	239.1	326.5	353.2
Seeds and plants	54.0	112.7	61.9	(3)	(3)	(3)
Oranges	49.0	56.7	56.8	254.8	330.5	311.5
Cashew nuts	23.6	35.1	52.1	15.3	23.1	25.6
Tea	58.4	60.4	49.4	42.6	47.5	37.3
Poultry, fresh-frozen	61.5	37.3	37.8	86.5	44.9	42.7
Rice	55.1	44.0	34.0	332.4	279.8	153.5
Coffee	41.9	37.8	33.0	43.0	42.1	32.0
Meat, fresh-frozen	69.9	28.7	32.4	115.8	40.1	46.2
Flour, wheat	31.0	29.9	29.5	279.4	274.4	306.6

[1] Reported only as rounded quantity. [2] Only mixture of bottles and decaliters available. [3] Weight measure not available.

SOVIET UNION: MAJOR AGRICULTURAL EXPORTS

Commodity	1971	1972	1973	1971	1972	1973
	Mil. Dollars	Mil. Dollars	Mil. Dollars	1,000 metric tons	1,000 metric tons	1,000 metric tons
Cotton fiber	482.3	582.8	626.4	546.8	652.2	728.3
Wheat	652.7	321.7	431.6	7,616.6	3,890.3	4,192.9
Sunflowerseed oil	156.1	142.0	126.8	378.6	394.4	342.0
Flour	71.6	42.2	63.5	654.2	377.6	613.8
Meat, fresh-frozen	8.3	30.0	46.4	10.9	37.0	47.2
Groat grains	4.0	18.1	29.6	39.8	145.8	146.6
Corn	9.4	16.6	27.6	117.6	248.7	365.1
Lard[1]	42.2	38.1	27.5	117.8	122.7	91.0
Butter	25.1	22.5	24.9	24.3	16.3	17.5
Seeds and plants	20.4	22.6	24.8	(2)	(2)	(2)
Meat, canned	21.6	19.4	22.0	[3] 62.4	[3] 56.4	[3] 64.3
Barley	49.0	17.3	20.8	687.7	298.1	276.2
Hides, raw	11.4	16.1	20.1	(2)	(2)	(2)
Wool	24.9	25.5	18.2	14.4	12.1	7.5
Wines	7.0	20.0	15.8	(4)	(4)	(4)
Milk, canned	10.3	13.5	15.7	[3] 64.6	[3] 73.1	[3] 76.1
Flax fiber and tow	14.9	13.5	14.3	40.7	38.4	42.2
Sunflowerseed	15.0	13.3	13.0	84.1	74.0	73.1
Tea	11.8	12.6	12.2	11.0	11.6	12.5
Peas, dried	16.3	7.2	9.5	129.9	32.1	29.6
Other pulses	5.1	6.6	7.9	19.6	23.2	17.2
Silk, raw	4.0	3.5	7.0	1.7	1.6	3.0
Sugar, refined	132.5	7.0	6.2	1,002.1	49.5	42.9
Cheeses	6.0	5.6	6.0	7.4	7.2	7.5
Honey	2.3	1.7	2.8	4.9	3.6	5.3

[1] May also include other edible animal fats. [2] Weight measure not available. [3] Millions of standard containers. [4] Only mixture of bottles and decaliters available.

Pakistanis Up Use Of Higher-Quality Cigarettes

CALENDAR 1973 was a year in which Pakistan's tobacco industry had no imports, while its exports dropped to about half the 1972 level. Yet there are those in the industry who believe 1973 was a good year because of the growth of cigarette consumption on the domestic market.

There were no imports because stocks of U.S. Public Law 480 leaf from late 1972 deliveries were sufficient for processor requirements in 1973. However, by the end of the year, the P.L. 480 tobacco had been about used up and on January 10, 1974, Pakistan put tobacco imports on the free list. The result was that slightly more than 500,000 pounds of U.S. tobacco were purchased for delivery in mid-1974. Adequate supplies and high world prices may restrain further purchases until the latter half of 1974.

World market conditions, devaluation of the rupee, and abundant supplies of leaf resulting from the cutoff of shipments to Bangladesh (formerly East Pakistan), enabled Pakistan to sell more tobacco on the world market in 1972 and foreign shipments climbed to 17.9 million pounds. The following year, however, possibly reacting to the loss of the guaranteed Bangladesh market, tobacco production in Pakistan dropped off. Exports in 1973 also dropped to 9.7 million pounds, of which the United Kingdom took 4.7 million pounds, Italy about 3 million, and Bulgaria 1.4 million.

Official estimates of leaf production indicate a decline from 191.6 million pounds in 1972 to 138.5 million pounds in 1973, however, there is no breakdown by type. But an unofficial estimate indicates Virginia flue-cured production increased from 23.5 million pounds in 1972 to 39 million in 1973. If accurate, this could indicate that Pakistan's production decline has bottomed out.

Of the 130-odd million pounds of tobacco produced in Pakistan in 1973, about half (63 million pounds) is currently going into domestic cigarette production. Output in 1973—28.1 billion pieces—was 10.6 percent over that of calendar 1972. Manufacturers' sales followed a similar pattern.

The bulk of sales of factorymade cigarettes will be lower-priced brands made of domestic leaf, although sales of higher priced cigarettes are mounting. Among the six generally recognized price categories, 85 percent of cigarette sales are of those priced below US$4.50 per thousand (based on an average 1973 currency exchange rate of PRs1 = 10 U.S. cents), while only about 7.8 percent retailed for over US$7 per thousand. The sales growth of these higher priced cigarettes, containing varying proportions of American leaf, is quite marked—having risen from 1.7 billion pieces in 1972 to 2.2 billion in 1973. Popularity of filter tip cigarettes is also gaining. In 1972, their output was 1.3 billion pieces, rising to 2.3 billion in 1973.

There is another factor that indicates Pakistani cigarette sales might increase even more in the future. Consumption of oriental tobacco is apparently declining. Since this type of tobacco is traditionally used in the hookah, the evidence although inconclusive, might be another indicator of the switch to "readymades."

Despite the growth of cigarette consumption, however, there are a number of snags that must still be ironed out if the industry is to capitalize fully on the potential market.

Manufacturers normally set cigarette retail prices, but in areas where there is no competition between retailers, prices are jacked up as high as the market allows. Short supplies at times in 1973 also complicated the price situation.

Transportation and distribution problems in 1973 also caused spot shortages.

Pakistani cigarette manufacturers whose products contain U.S. tobacco have no problems obtaining better quality domestic tobaccos for blending. Processors increased their use of this type of tobacco for cigarettes in 1973 by 6 million pounds and blended cigarette output by 10.6 percent. By freeing the import of foreign leaf, the Pakistani Government has assured processors of an adequate supply of blending tobacco to meet the growing demand for higher quality cigarettes in 1974.

—Based on report from
Office of U.S. Agricultural Attaché
Islamabad

PAKISTAN'S 1973 RICE EXPORTS AT ALLTIME HIGH

In 1973 Pakistani rice exports of 766,000 tons hit an alltime high. This represented an increase of 466,000 tons, 155 percent of 1972's exports of 300,000 tons. The rice crop in 1973 was slightly larger than that of 1972, but 1973 exports included a large carryover stock from previous years plus leftover rice originally intended for East Pakistan (now Bangladesh). West Pakistan, now Pakistan, previously sent about 175,000 to 400,000 tons of rice to East Pakistan annually.

The 1973 Pakistan rice exports were much higher than the combined internal and external rice exports of 1969, when Pakistan exported 397,000 tons to East Pakistan and 133,000 tons to foreign countries. Major buyers of Pakistani rice in 1973 were Indonesia, Sri Lanka, Africa, and the Arabian countries.

The 1973-74 Pakistan rice crop is expected to reach 2.5 million milled tons, about 9 percent higher than last year's production of 2.3 million tons. Despite higher production Pakistan is not expected to export more than 500,000 tons of rice during 1974. To reach its export goal, Pakistan has increased procurement rice prices for Basmati (superior quality) from 62 ($1.00 = Rs9.90) per maund (82.28 lb.) to Rs90 per maund, while procurement prices for coarse rice increased from Rs27 per maund to Rs40 per maund.

The Government of Pakistan procures a large quantity of rice each year mainly for export. For 1974 Pakistan hopes to procure about 650,000 tons; about 450,000 tons of this will be coarse rice and the remaining 200,000 tons will be Basmati. Pakistan anticipates fairly high prices for its rice in the world market, and has already promised 80,000 tons to Sri Lanka—which is requesting even more. Currently, Pakistani rice export prospects for 1974 appear favorable.

United States Is No. 2 Supplier Of U.K. Agricultural Imports

IN 1974, the United States will probably hold firm to its position as the second most important supplier of agricultural products to the United Kingdom, the rank it regained from New Zealand in 1973. Last year the European Community was in top spot.

U.S. exports to the United Kingdom in fiscal 1974 (not adjusted for transshipments) totaled $684 million, compared with $529 million in fiscal 1973, a gain of 29 percent. Shipments of feedgrains, tobacco, soybeans, variety meats, and cotton were heavy.

U.K. imports from the United States in 1973 were $744 million, compared with $556.5 million the year before. Last year the United Kingdom imported $2.62 billion from the enlarged Community. In 1972, total U.K. imports from the EC-6. Denmark, and Ireland were $1.8 billion. These export values allow no adjustment for transshipments of U.S. grain and other agricultural products and were converted from the British pound at the rate of £1=US$2.32.

Total imports by the United Kingdom last year were $5.7 billion.

Supplying almost one-third of U.K. agricultural imports, the enlarged EC far exceeded in importance any other supplier. However, the Community total was aided in part by imports into the United Kingdom from Denmark and the Irish Republic, both of which had been large traditional suppliers of agricultural commodities to the United Kingdom before the three countries entered the EC January 1, 1973.

In 1972, Ireland and Denmark occupied fourth and fifth places, respectively, among the leading individual country suppliers of agricultural commodities to the United Kingdom. Nevertheless, even the original six EC members forged rapidly ahead in importance in 1973 and supplied 18 percent of U.K. agricultural imports versus 13 percent in 1972, 13 percent in 1971, and over 10 percent in 1970. These percentages, of course, were aided by 1973's rapid inflation in world prices of many agricultural commodities, particularly grains.

The grain sector was the one in which the Community made rapid strides last year on the U.K. market, with France the principal source. The value of U.K. grain imports from France last year were up more than threefold from $55.1 million (c.i.f.) to $183.8 million. In terms of volume, imports of French wheat rose from 825,000 long tons in 1972 to 1.06 million tons in 1973, while imports of French corn rose from only 1,250 tons in 1972, an abnormally low year, to 561,000 tons in 1973.

There was also a significant expansion—from $199.5 million to $258.6 million—in U.K. imports of fruits and vegetables from the Six with France again registering a large increase in volume, particularly in apples. These shipments rose from 78,000 tons in 1972 to 139,000 tons last year.

With Denmark and Ireland now in the enlarged EC, the Community has become the largest U.K. source of livestock and meat products with their total value amounting to $881.3 million in 1973. Similarly, the enlarged Community—again because of Irish and Danish entry—has become the United Kingdom's largest supplier of dairy products with the 1973 value at $339 million.

In 1973, U.S. shipments of farm products to the United Kingdom made up 9 percent of the U.K. total. The major strength of the United States continued to be in grains, tobacco, oilseeds, and textile fibers, but with fairly large shipments of almost all other commodities except dairy products.

Among other leading countries supplying agricultural products to the United Kingdom, the pattern was much as it had been in other recent years with New Zealand in third place, depending heavily on livestock products.

Australia was in fourth place with its large shipments of livestock products, fruits, sugar, and wool; and Canada in fifth spot as a traditional supplier of wheat and tobacco. South Africa's position continued to depend heavily on its exports of fruits and wool to the United Kingdom, while more than two-thirds of Argentina's agricultural exports to the United Kingdom continued to be beef and beef products.

In millions of dollars, U.K. imports from these countries in 1973 were: New Zealand, 624.1; Australia, 48.1; Canada, 374.5; South Africa, 301.0; and Argentina, 221.5. India was also an important source of U.K. imports, supplying farm products worth $175 million.

Livestock Producers In Australia Concerned About World Meat Situation

Australian livestock producers—dependent on the foreign market to take some 60 percent of their output—are increasingly worried about today's meat export situation, with its lowered prices and contracting marketing opportunities. To register this concern with the Federal Government, Victoria meat exporters and producers met in early June, describing the situation as follows:

- The United States is holding in store manufacturing meat equal to 8 or 9 months of 1973 Australian exports to the United States, and U.S. slaughter of cows and range-fed steers will probably increase from August onward.
- The U.S. c.i.f. price for cow beef by late spring was down to 56 U.S. cents per pound from a peak of 110 cents in August 1973. (U.S. prices have increased in recent weeks.)
- Japanese meat imports have been virtually suspended and are not expected to resume until the end of September.
- Reports from the EC indicate that a minimum of 100,000 metric tons of intervention beef is in storage. (This situation prompted the EC on July 16 to place a 4-month ban on all beef imports, which stops Australia's normally large exports to the United Kingdom.)
- Successive revaluations of the Australian dollar have substantially reduced values of meat exports in terms of Australian currency.
- The decline in returns has been further aggravated by increases in wages, financing costs, freight, and bunkering surcharges; application of a 1.6-cents per pound export levy; and withdrawal of payroll tax rebates and market-development incentives to meat exporters.

A spokesman for the meeting emphasized the need for a steady flow of livestock to market to prevent a future buildup of cattle numbers and thus further price erosion, adding that good pasture conditions now favor this needed regulation of marketing.

U.S. Farm Exports

Continued from page 4

ports were commercial sales for dollars. Developing countries took 16.1 million tons, compared with 11.9 million a year earlier. However, developed countries continued to be a very important market for U.S. wheat of about 7.5 million tons.

U.S. **rice** exports totaled 1.6 million tons in fiscal 1974, down about one-fifth from a year earlier. However, value reached a record of nearly $754 million because of substantially higher prices, mainly caused by the reduced crop in Asia.

Most of the decline occurred in shipments under Government-financed programs, primarily to South Korea, South Vietnam, and Indonesia. However, U.S. exports to West Asia, North Africa, the EC, and the Caribbean increased.

Exports of U.S. **oilseeds and products** gained over 49 percent to $5.2 billion, mostly from higher prices. However, volume of soybeans, soybean meal, and soybean oil increased 3-6 percent. U.S. soybean exports got off to a very late start in fiscal 1974 because of the June-September embargo, reduced carryin of only 60 million bushels, the late soybean harvest, and a tight shipping situation. Since mid-January however, U.S. exports of soybeans have been gaining.

Soybean exports during fiscal 1974 totaled about 519 million bushels, compared with 505 million in 1972-73. Major gains were to the EC, Eastern Europe, and the PRC. Exports to Japan, on the other hand, fell about 25 million bushels to 101 million.

Soybean meal exports during fiscal 1974 totaled 4.7 million metric tons—about 4 percent above the level of a year earlier. Higher prices added extra push to value, which rose by over 5.4 percent to more than $1 billion.

A rather tight world vegetable oil situation brought on by the drought in the Philippines which sharply reduced coconut output caused U.S. exports of soybean oil in fiscal 1974 to increase by around 100 million pounds. Soybean oil prices were almost double the 1972-73 level and were responsible for most of the 104 percent value gain—a record $295 million.

Also a factor in the substantial rise in exports has been increased vegetable oil consumption, not only in the developed countries, but also in the developing countries. Exports of cottonseed oil totaled 569 million pounds—about equal to the 1972-73 level. Value was up sharply, however, because of higher prices.

U.S. **cotton** exports during fiscal 1974 rose by 1 million bales to 5.7 million. Value was even higher because of the sharp rise in prices. The growth in U.S. exports of cotton is associated with the substantial increase in exports to the PRC, which almost doubled the 1972-73 level at about 843,000 bales.

Increases in U.S. cotton exports also occurred for Far East countries, especially Japan, Taiwan, South Korea, Malaysia, Philippines, Hong Kong, and Thailand. Cotton exports to Western Europe, however, were lower than a year earlier, while shipments to Canada were slightly above the 1972-73 level.

The substantial rise in petroleum prices made cotton somewhat more competitive with manmade fibers during the past year. U.S. exporters honored their contracts even with the substantial rise in world prices, although contracts in many countries were cancelled.

U.S. **tobacco** exports in fiscal 1974 totaled over 690 million pounds, about 12 percent more than the 592 million pounds shipped a year earlier. Value rose about one-fourth to a record $813 million. While most of the gain was in flue-cured tobacco, exports of burley, bulk smoking tobacco, and tobacco stems also showed substantial growth.

Larger shipments of U.S. flue-cured tobacco went to the United Kingdom, West Germany, Italy, the Netherlands, Japan, the Republic of China (Taiwan). and Australia. Burley tobacco exports rose to the EC, the Philippines, Japan, and Brazil. Bulk smoking tobacco exports gained to Switzerland, Spain, the Dominican Republic, Ecuador, Australia, and the Canary Islands.

Foreign demand for U.S. **fruits and preparations** gained sharply in 1973-74 to a record of nearly $600 million. All major groups showed substantial growth but fresh, canned, and dried fruits showed the largest dollar jump.

Higher prices accounted for about 54 percent of the overall increase, however, quantity of all fruits and preparations were up by 14 percent. Canada is by far the largest U.S. market for fruits and preparations, taking over $226 million or 38 percent of the total. However, U.S. exports have increased to Japan, Europe, the Far East, and the Middle East.

U.S. exports of **nuts and preparations** rose an astonishing 79 percent in fiscal 1974 to a record $158 million, with almonds and walnuts accounting for most of the increase. An improved U.S. harvest put the United States in a position to export more almonds to Canada, West Germany, Japan, Spain, and other West European countries.

The substantial rise in exports of **fresh vegetables, pulses, and canned vegetables** pushed the value of vegetables and products to an alltime high of $407 million—two-fifths larger than a year earlier. Exports gained mainly to Japan and Canada, but higher prices were a principal factor in the value increase. Overall, the average export unit value was up by nearly one-third.

Pulse exports advanced to over $100 million from $64 million a year earlier, mainly because of higher prices.

Exports of **animals and animal products** rose by around one-third to $1.8 billion in fiscal 1974, primarily for live cattle, poultry meat, and inedible tallow. Dairy products and hides and skins, on the other hand, fell mostly because of increased competition from other major exporters. Dairy products were in very tight supply in the United States and imports rose sharply to meet domestic requirements.

U.S. live cattle exports increased to over $150 million, mostly to Canada which took over $110 million. Relatively tight supplies and higher prices encouraged Canadian meat packers to purchase more from the United States. However, U.S. exports nosedived after Canada banned imports of beef, veal, and sheep containing DES.

Exports of U.S. hides and skins declined about one-tenth to $460 million. Demand fell somewhat because of high prices and increased supplies of manmade products and larger supplies of cattle hides from other exporters.

Exports of U.S. poultry and poultry products were up about two-fifths to a record $143 million, mainly for young whole fresh chickens, chicken parts, turkeys, and turkey parts. The extremely tight world meat situation at the beginning of the year helped stimulate U.S. exports of poultry meat.

U.S. inedible tallow exports more than doubled to a new high of $433 million as a result of very tight world supplies. While quantity increased by only 34 million pounds, value was up by over $200 million, primarily because of higher prices.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 30	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	5.85	+13	(1)
USSR SKS-14	(1)	(1)	(1)
Australian FAQ[2]	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	5.80	+6	4.31
15 percent	(1)	(1)	4.39
U.S. No. 2 Hard Winter:			
13.5 percent	5.31	+8	4.27
No. 3 Hard Amber Durum	7.39	−31	(1)
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	4.15
Feedgrains:			
U.S. No. 3 Yellow corn	3.79	+20	3.52
Argentine Plate corn	3.98	+17	3.90
U.S. No. 2 sorghum	3.50	+24	3.30
Argentine-Granifero sorghum	3.56	+27	3.28
U.S. No. 3 Feed barley	3.18	+14	2.82
Soybeans:			
U.S. No. 2 Yellow	9.88	+1.94	8.95
EC import levies:			
Wheat[3]	[4] 0	0	.83
Corn[5]	[4] 0	0	.34
Sorghum[5]	[4] 0	0	.49

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] Durum has a separate levy. [4] Levies applying in original six EC member countries. Levies in UK, Denmark and Ireland are adjusted according to transitional arrangements. [5] Italian levies are 19 cents a bushel lower than those of other EC countries. Note: Price basis 30- to 60-day delivery.

Burma Ups Price of Rice

Burma has announced a 50 percent increase in the official procurement price for rice. Although the new price is only half of free market prices, it may increase somewhat the portion of the 1974-75 paddy crop delivered to the Government.

India's Monsoon Strengthens, But Grain Imports To Continue

Monsoon activity in India has increased somewhat during the third and fourth weeks of July, but rainfall remains below normal in that country's major grain producing regions. Although it is too early to make a firm estimate of kharif (fall-harvested) production, it is likely to be around 2 million tons below last year's excellent crop, assuming at least average conditions for the balance of the season.

Since last fall, India has been importing an average of 450,000 tons of grain a month. Imports will continue at this rate through the summer, as most of the 1.9 million tons obtained this spring is scheduled for July-October delivery.

In view of current monsoon conditions, India's requirements will likely continue at this level, and, may increase if the monsoon fails to strengthen further.

Peru Buys Canadian Wheat

The Government of Peru has purchased 90,000 metric tons of Canadian Manitoba No. 1 wheat 13.5 percent protein with delivery scheduled for August-December. Freight on board (f.o.b.) price is believed to be $187.50 per metric ton ($5.10 per bushel), compared with a price of $5.24 per bushel for U.S. No. 2 Dark Northern Spring, f.o.b. Duluth.

On the basis of total 1974 wheat requirements of about 720,000 tons, Peru is expected to import about 100,000 tons, although some Peruvian officials believe that greater purchases will be necessary.

Turkey Buys Wheat To Offset Reduced Harvest

Turkey has purchased 455,000 tons of wheat, and, of this amount, 205,000 tons are of U.S. origin. The large early-season purchase appears to be an attempt to combat inflationary pressures resulting from a below-normal harvest.

Although estimated production of 8.3 million tons is 4 percent above last year's poor crop, it is far below 1972 production and almost 2.5 million tons below the 1971 record. It now seems likely that total wheat imports for fiscal 1975 will exceed last year's 650,000 tons.

Japan, Thailand Sign Corn Agreement

In accordance with a recent agreement, Thailand will supply Japan with 1.2 million tons of corn in fiscal 1975. Although the Thais have been unable to meet 1-million-ton targets in their annual agreements with Japan in the last few years, current Thai corn production forecasts suggest they should be in a position to reach this year's goal.

LIVESTOCK AND MEAT PRODUCTS

New Zealand Sells Frozen Mutton to the USSR

The New Zealand Meat Producers Board has reported a sale of 36,000 metric tons (79.3 million pounds) of frozen carcass mutton to the USSR. This sale, reported to be at a price of 17-18 cents (NZ) per pound, is expected to return some $17 million (NZ) in export earnings and will release freezer storage space throughout the New Zealand industry.

Japan, previously New Zealand's best customer for mutton, is severely restricting procurement this year. In 1973 Japan took 68 percent of New Zealand's mutton exports. Sales so far in 1974 have been limited to 30,000 tons. Japanese offers on carcass mutton will relieve the pressure on New Zealand mutton stocks, reported at 88,000 tons on June 1 and estimated to exceed 90,000 tons at present. Recent reports indicate the Japanese are now bidding 25 to 28 cents (NZ) per pound. Before the USSR sale the price of mutton was as low as 13 cents (NZ) per pound. (One NZ cent equals 1.46 U.S. cents.)

DAIRY AND POULTRY

EC Commission Fails To Extend Poultry Export Subsidies

Press reports indicate the European Community Commission has decided that an extension of the extra restitution for exports to third countries after July 1 no longer is necessary or desirable. Poultry prices in the EC are up 10-12 percent, and stocks were down from 50,000 tons in April to 10,000 tons in July. Estimates suggest exports increased 20,000-30,000 tons, especially to countries in the Mediterranean, Switzerland, Austria, and traditional buyers in the Far East.

U.K. Milk Supplies Down

Serious concern continues about milk supplies in the United Kingdom this year. Production and utilization figures through April show total off-farms sales are down 2.5 percent from those for the same period last year.

Increasing liquid consumption has affected milk used for dairy product manufacture. April utilization for manufacture this year fell 4 percent from the April 1973 level.

Austria Boosts Milk, Dairy Product Prices

Effective April 1, 1974, the Austrian Price Commission set official higher prices for raw milk and dairy products. This action resulted in the requirement for additional funds to finance export subsidies for butter, dry whole milk, and cheese. To provide these funds, the Austrians raised the customary checkoff from the producer milk price 60 percent—55 to 90 U.S. cents per 100 liters. However, to counter dissatisfaction among dairymen, Austria's Ministry of Agriculture contributed half of this increase to the dairy industry's export subsidization fund. In future instances where increases must be made in the checkoff, a similar arrangement will apply.

FRUIT, NUTS, AND VEGETABLES

EC Changes Fruit Export Subsidies

The European Community (EC) has announced several export subsidy changes effective July 12, 1974. The subsidy for fresh oranges, which ranged from 4 to 6 units of account per 100 kg, was eliminated. A subsidy of 4 units of account per 100 kg was established for tomatoes of quality classes Extra, I and II, exported to Austria and for table grapes exported to Austria. The subsidy for fresh peaches of quality classes Extra, I and II, was increased from 4 to 6 units of account per 100 kg.

Turkish Filbert Crop Outlook Favorable

In an apparent contradiction of the traditional on year-off year production cycle for Turkish filberts, the 1974 forecast calls for an output level of about 220,000 metric tons. (1 metric ton=2.2046 lb.) This compares with 240,000 tons in 1973.

The 1973-74 exports of filberts are expected to reach a level of 220,000 tons, about 62 percent above the 1972-73 level of 135,400 tons. Turkey does not import filberts. For 1973-74 carryin stocks and domestic use were both at normal levels.

COTTON

Brazil Cotton Crop Down

Heavy rains during the harvest season in South Brazil (March-June) have reduced crop outturn by approximately 14 percent from earlier expectations of 1.9 million bales (480 lb. net), leaving total Brazilian production estimates for 1973-74 at about 2.6 million bales. This is 12 percent below last season's 2.95 million bales and 16 percent below the 3.1 million produced in 1971-72.

March rains also have reduced fiber quality, placing 76 percent of the crop at the end of May at or below grade 6, compared with 57 percent last season. This has contributed to the slowing of export sales to traditional markets, even though the Bank of Brazil's Export Division (CACEX) recently removed all export restrictions on cotton from South and Northeast Brazil.

Plans have been announced to raise the import duty on raw cotton to 55 percent ad valorem in an attempt to force domestic mills to use the lower quality domestic cotton rather than import their raw cotton supplies.

U.S. Share of West German Cotton Imports Declines

High early season stocks, a declining market, and soft order book positions among cotton spinners have caused total German raw cotton imports during the first 9 months of the current season to lag some 18 percent behind comparable 1972-73 levels. For the year as a whole, 1973-74 imports of raw cotton now are expected to drop to 965,000 bales, almost 20 percent below last season's level.

Imports of U.S. cotton have been much lower than expected. Earlier this season a market share of 20 percent was forecast for the United States. In fact, through the first 4 months of the season, imports of U.S. cotton were 174 percent ahead of comparable levels last season. However, by the end of May, German import statistics recorded a 41 percent drop in imports from the United States.

For the entire marketing year, imports of U.S. cotton are expected to amount to approximately 125,000 bales for a 13 percent share of the market. Such performance compares unfavorably with that of 1972-73, when imports of U.S. cotton amounted to 185,000 bales, representing 16 percent of the market. The reduction primarily reflects transportation difficulties, more competitive Central American growths in recent months, and higher-than-usual arrivals in the last quarter of 1972-73.

During the first 9 months of 1973-74, the shares of practi-

cally all major German cotton suppliers have decreased significantly: Sudan, down 17 percent; Turkey, 41 percent; and the USSR, 13 percent. Benefiting from these decreases were such countries as Nicaragua and Ethiopia.

While imports have lagged behind last year's levels, reexports during August-April have run 36 percent higher than comparable levels in 1972-73. Current estimates place the 1973-74 total at 78,000 bales, up over 20 percent from last season's total. The increase is not only due to increased shipments to such traditional markets as Italy (up almost twenty-fold during August-April 1974 to 5,900 bales), but also to the difficult supply situation during the latter part of 1972-73 and the first few months of the current season. At that time German dealers bought heavily in a broad range of qualities, including the lower grades that were then exported to countries like Albania, Czechoslovakia, Yugoslavia, Romania, the Republic of South Africa, and Spain.

FATS, OILS, AND OILSEEDS

EC Council Approves Soybean CAP

The European Community Agricultural Council has approved a Common Agricultural Policy (CAP) for Soybeans, fixing a target price for the marketing year November 1-October 31. A subsidy equal to the difference between the target price and the world market price will be paid to producers .There will be no intervention system and no import restrictions.

Discussion of the Soybean CAP appeared in **Foreign Agriculture,** May 20, 1974.

GENERAL

Philippines Receives CCC Credit Line

A new $25 mllion line of Commodity Credit Corporation (CCC) credit has been established for the Philippines covering the export of cotton ($20 million) and tobacco ($5 million). Terms provide for a 36-month credit period with equal annual payments of principal and accrued interest. The export authorization period is June 1974 through June 30, 1975.

Romania Gets CCC Credit

Romania has received a $25 million line of Commodity Credit Corporation (CCC) credit for the purchase of barley, oats, and sorghum, and a $6 million line of credit for the purchase of corn. After the 1973 corn crop declined 27 percent to only 7.2 million tons, Romania was anxious to purchase 300,000 tons of corn to fill the shortfall until it could harvest its new crop. However, with the current tight U.S. corn position, Romania has agreed to substitute the other grains for the bulk of its request.

CCC Credit Activities for 1974

Agricultural exports under the Commodity Credit Corporation (CCC) Export Credit Sales Program, a commercial export financing program, for fiscal 1974 amounted to $298 million, a 71 percent reduction from the $1,029 million in fiscal 1973. Restraints imposed on the CCC credit program in 1973 produced the substantial reduction in financing operations.

Financing was limited to countries with which the United States had previous commitments, such as in the case of the U.S.-USSR grain agreement of 1972; the 1973 line of credit to Korea, which ran the entire calendar year; and emergency situations that developed in Chile and Pakistan.

Program sales to the USSR totaled more than $89 million, followed by Korea, where CCC financing amounted to $48.2 million; Chile, $34.7 million; and Pakistan, $33.5 million. Principal commodities exported were wheat, $160.8 million; cotton, $60 million, and corn, $53.1 million.

Northeast U.S. Group Opens Farm Export Office

The Eastern U.S. Agricultural and Food Export Council, Inc. (EUSAFEC), organized to promote farm exports from the Northeast States, opened its headquarters on July 15 in the World Trade Center in New York, according to an announcement by the U.S. Department of Agriculture (USDA) and EUSAFEC.

The EUSAFEC members are the State Departments of Agriculture in Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

In establishing the Northeast office, the Council has appointed Kenneth M. O'Brien, a native of Massachusetts and a recent graduate in international relations from Harvard University, as its executive director. Mr. O'Brien will coordinate all export promotion and marketing for EUSAFEC.

Exports from the region were estimated to be worth nearly a quarter of a billion dollars in 1973, and are up considerably this year. Farm products important in export trade from the region include fresh fruits and vegetables, dairy and poultry products, tobacco, feedgrains, soybeans, purebred livestock, and a wide variety of processed foods.

The Council, cooperating with the USDA's Foreign Agricultural Service (FAS), will participate extensively in the regularly scheduled export trade promotions conducted by FAS since 1955. EUSAFEC also will organize and conduct trade missions to overseas markets to seek sales for its agricultural commodities.

Other Foreign Agriculture Publications

- World Butter and Cheese Production Up Again in 1973 (FD 2-74)
- World Red Meat Production in 1973 (FLM 8-74)
- World Grain Situation: Review and Outlook (FG 17-74)
- World Cotton Production in 1973-74 Up Marginally (FC 14-74)
- A Summary of Tariff and Nontariff Barriers on Tobacco in Free World Markets, 1973 (FAS M 257, June 1974)

Single copies may be obtained free from the Foreign Agricultural Service, USDA, Washington, D.C. 20250. Rm. 5918 S.; Tel.: 202-447-7937.

Baler Twine Supplies

Continued from page 11

increases were being registered. In mid-June, the price of East African sisal, UG Grade, was $1,100 per ton, c.i.f., compared with about $420 per ton in June 1973. And the price of Brazilian Type 2 sisal at $1,040 per ton, c.i.f. European ports, also was up sharply from levels of a year earlier.

Cordemex, established in 1964, is the official Government agency controlling Mexico's henequen industry from purchasing of raw fiber through processing and manufacturing.

Two large factories produce agricultural twine, the major export item. Other henequen products manufactured by Cordemex include rope, industrial twine, henequen cloth, bagging, padding, carpets, and wall covering.

Production of henequen in Mexico last year is estimated at 140,000 tons, of which about 80 percent were produced in Yucatan. Export of raw henequen fiber presently is low compared with earlier years, as export of the finished product is now emphasized.

U.S. IMPORTS OF RAW SISAL AND HENEQUEN AVERAGE 1960-64, ANNUAL 1971-73
[In million pounds]

Year	From Mexico	Total imports
Avg. 1960-64	55	202
1971	88	136
1972	79	110
1973	39	71

Fiber that is exported is of low quality and is mainly for nontwine uses. Exports of baler and binder twine and rope in 1973 totaled 83,500 tons, up from 76,000 tons in 1972.

Responding to higher prices and strong world demand, Mexican henequen producers are planning substantial increases in planted areas, a new nursery, and modernization of production technology to increase both yields and quality.

Soviet Farm Imports Soared in 1973

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many. The published figures failed to show where 830,000 metric tons of wheat were shipped, however.

Major 1973 agricultural exports, other than grains, and their two top destination countries were: Cotton fiber, Japan and Poland; sunflowerseed oil, West Germany and Cuba; flour, Cuba and North Vietnam; fresh-frozen meat, Chile and Switzerland; groat grains, North Vietnam and Mongolia; and lard, Czechoslovakia and Egypt.

No recipients were identified for butter; but top markets for seeds and plants were Mongolia and Poland; for canned meat, Cuba and Mongolia, raw hides, no destinations named; wool, Czechoslovakia and Poland; wines, East Germany and Cuba; canned milk, Cuba and Mongolia; and flax fiber and tow, England and Poland. All sunflowerseed exports went to East Germany; tea, to Mongolia and Poland; dried peas, all to Cuba; other pulses, only East Germany was listed; raw silk, Italy and Japan; refined sugar, Mongolia and Afghanistan; cheeses, East Germany and Cuba; and honey, East Germany and Hungary.

New Korean Port Facilities Result in Savings

With the completion of the second of two locks, Inchon harbor in Korea can now handle 25 vessels of from 8,000-50,000 tons simultaneously. Before the construction of the locks—which can seal off the harbor and keep the high tide inside—the 40-foot tidal difference in the harbor required ships to anchor a few miles offshore. Then, the grain was loaded into barges that could remain in the harbor as the tide went down. Unloading of the barges was done by hand.

Grain storage facilities with a total capacity of 141,000 tons have been constructed by the Korean Silo Company. Additional financing for the facility was provided by Public Law 480 funds. The Korean Silo Company is also completing a finger pier from which two vessels can be unloaded simultaneously at 800 tons per hour.

With the new port facilities, including mechanized bulk handling, Korea will be able to realize savings per ton of from $2.50-$3.50 on discharge and handling, $2.00-$2.50 freight costs, and other additional savings, such as that resulting from reduced grain damage. Based on the handling of 1.5 million tons annually, total savings should amount to $4-$6 million a year.

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